

UNCONVENTIONAL ASSETS INDEPENDENT EXPERT REPORT (IER) CASE STUDY

Strata-X Energy Ltd – USA
Onshore USA and Western Australia

AWT DISCIPLINES

Geophysics
Petrophysics
Resource Assessment
Prospect Risking
Production Technology
Completions Engineering



PROJECT BACKGROUND

Strata-X Energy Ltd (“Strata-X”) commissioned AWT International (AWT) to prepare an Independent Expert Report (IER) for inclusion in a prospectus for a Secondary Offering on the Australian Stock Exchange (ASX), creating a dual listing in Strata-X on both the Toronto Stock Exchange (TSX) and the ASX. The new shares were to be listed on the ASX.

Location:
USA
Australia

AWT WORKSCOPE

Strata-X requested that AWT provide an independent expert report (IER), relating to the petroleum exploration assets in the following large unconventional oil and gas projects and smaller conventional oil projects located in the United States of America (USA) and Australia:

- Vail Project (100% working interest), Illinois, USA
- Maverick Project (75-100% working interest) Maverick County, Texas, USA
- Sleeping Giant Project (100% working interest) North Dakota, USA
- Canning Basin Laurel Shale (100% working interest) Western Australia (WA)
- Various other smaller petroleum assets in the USA

The report addresses the following topics:

- Pertinent geology
- Hydrocarbon Prospective Resources
- Hydrocarbon composition
- Expected well production
- Analogues where applicable
- Government commitments (or similar)
- Work Program and budget and suitability to explore the plays

AWT ADDED VALUE

AWT developed a forward work program depending on the level of capital raising. The proposed 18 month program was projected to cost between A\$7.2 and A\$16.5 million, depended upon the level of funds raised. This was to be covered by the current proposed capital raising of between A\$10 million and A\$20 million and the Strata-X current working capital. Reserves in the report were calculated by Chapman (2011 and 2012). Other resources were calculated by Strata-X, AWT, Wandoo and Chapman (2011) and were reviewed and adopted by AWT.